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SENSITIVE
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DOL FOR ANNE ZOLLNER
STATE FOR DRL LAUREN HOLT

E.O. 12958: N/A
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SUBJECT: NITEL STRIKE ENDS JUNE 19

REF: ABUJA 1517

¶1. (U) On June 19, employees of Nigeria's state-owned telecommunications company, Nigeria Telecommunications Limited (NITEL), resumed work after a two-week strike. Landline and cellular telephone service in Abuja and Lagos has returned to its normal, albeit uneven, quality. National Association of Telecommunication Employees (NATE) President Charles Amakwe confirmed the strike was officially over and that the federal government had released naira 2.4 billion (USD 18.5 million) to NITEL management for overdue salaries and naira 642 million (USD 4.9 million) for overdue furniture allowances.

¶2. (U) Amakwe told Econoffs on June 19 that NATE killed the strike on June 15. However, the message had not reached all members. Thus, many workers did not return to work until June 19 when word of the strike's termination finally reached them.

¶3. (U) NATE ended the strike because NITEL management promised no retaliation against employees who went on strike and that a Debt Recovery Committee would be established to enable Private Telecommunication Operators (PTOs) to pay NITEL up to naira 6.4 billion (USD 49 million) in overdue interconnectivity fees. These fees would be used to pay NITEL workers. Amakwe said the Committee is headed by F.A. Adekunle, General Manager of the Investment and Treasury Company and long-time NITEL employee, whom his labor union trusts. Although the workers did not receive full payment of overdue salaries as NATE demanded (reftel), Amakwe believed NITEL management did not have any additional funds available to pay worker salaries. It would be "unrealistic" to demand more than NITEL had in its coffers. Amakwe said NATE was satisfied with the partial payment, and that his group expected PTOs, over some time, to cover the remaining amount owed to workers through the Debt Recovery Committee. He said NATE would monitor the payment of salaries, and might call another strike if the federal government reneged on its promises.

¶4. (SBU) Comment. This strike has cost the Nigerian telecom sector billions of naira in lost revenue. With controversy surrounding NITEL's privatization bid, some argue this strike was intended to further complicate the privatization. NITEL workers fear privatization may occasion job loss. Thus, they are not fans of the exercise. In striking, they might have made some potential bidders more reticent but they also might have helped lower NITEL's value. This diminution could perhaps make it easier for the less skittish bidder, such as the President's favorite, Transnational Corporation of Nigeria (see septel), to acquire the company. End comment.
BROWNE